



**USAID**  
FROM THE AMERICAN PEOPLE

**SOUTH AFRICA**

## COUNTRY PROFILE



R. ZURBA, USAID/SOUTH AFRICA

*"I wouldn't have been here if it wasn't for USAID," Issy told U.S. Senator Obama.*

Then Senator, Barack Obama, visited an award-winning entrepreneur whom USAID supported through the South African International Business Linkages (SAIBL) project.

SAIBL I (1998-2008) promoted domestic and regional trade and assisted historically disadvantaged farmers to increase sales, trade and employment. It also increased access to the African Growth and Opportunities Act that waives duties and simplifies entry to US markets

SAIBL II (2008-2013) focuses on building partnerships and alliances with South African multinationals to increase market opportunities and access by small and medium size enterprises (SMEs). It also assists black SMEs along supply and value chains in key sectors.

### **SOUTH AFRICA SNAPSHOT**

Date of first democratic elections:  
1994

Population: 47.4 million (2006)

Income per person: \$5,390 (yr)

*Source: World Bank Development Indicators*

### **USAID IN SOUTH AFRICA**

<http://southafrica.usaid.gov>

### **OVERVIEW**

Fourteen years after the end of apartheid, the South African Government (SAG) remains committed to upholding the rights of all citizens and continue to invest heavily in its people. South Africa plays a key economic and political role in Africa. However, high unemployment, HIV/AIDS, crime, and growing public sector corruption undermine public support for South Africa's hard won democracy. The SAG's greatest challenges are to ensure that the epic changes

made since 1994 are consolidated and benefit most South Africans. The SAG needs to further increase economic growth, create jobs, and reduce the number of people living in poverty. USAID's most important programs in South Africa focus on strengthening Small and Medium Size Enterprises (SMEs), creating employment, and on addressing HIV/AIDS and strengthening health systems. USAID is also re-focusing or winding down long-term programs in education, democracy and governance, and municipal service provision.



### **PROGRAMS**

#### **REDUCING UNEMPLOYMENT AND POVERTY**

Despite impressive economic growth, unemployment remained high—between 23 and 35.8 percent in 2007. USAID provides technical assistance and training to help black-owned and managed SME's to identify new markets, increase production, improve management capacity, and secure financing to expand and create sustainable private sector employment. In FY 2008, USAID's SME competitiveness program generated more than \$258 million in sales in businesses and agribusinesses and over 1,500 jobs. USAID also increased the potential for access to finance by black-owned farms and agribusinesses by signing a \$34 million Development Credit Authority Guaranty Agreement with the First National Bank. The loan facility targets black farmers and agribusinesses, providing commodity input finance and long-term land and infrastructure improvement loans. USAID also provided technical assistance to support the development of a National Credit Register and to expand the depth of credit data available to lenders, including those serving SMEs.

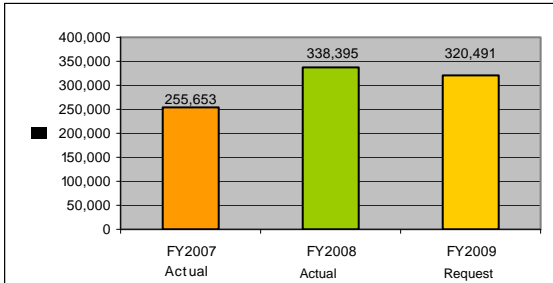


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## COUNTRY PROFILE CONTINUED

### USAID ASSISTANCE TO SOUTH AFRICA



### ACCESS TO HIV/AIDS AND HEALTH SERVICES

South Africa has more HIV-positive people than any other country, and has at least 1.4 million orphaned children. As the primary implementer of the President's Emergency Plan for AIDS Relief (PEPFAR) in South Africa, USAID provides treatment for 379,278 people and care for 920,634 individuals. It also builds management and technical capacity to address the epidemic. USAID works with businesses to establish workplace policies and provide treatment to employees. Programs allow nongovernmental and faith-based groups to train local residents and support hospices to help people with AIDS at or near their homes, providing much-needed compassionate support from local neighborhood caregivers. The HIV epidemic in South Africa has fueled a concurrent TB epidemic and a growing incidence of multiple and extensive drug resistant TB. The country ranks fourth in the absolute number of TB cases, surpassed only by a few more populous countries such as India. Through USAID-funded efforts, the South African Government provided TB treatment for over 165,000 individuals in 2007. USAID also works with the Department of Social Development and NGOs to assist 329,120 orphans and vulnerable children and their caregivers with an array of services (obtaining government grants, paying school fees, counseling, nutrition, employment generation activities, etc.). Finally, USAID's prevention efforts give medication to pregnant women to prevent passing the virus to their unborn babies, and encourage youth to practice safe behavior.

### INCREASING ACCESS TO ECONOMICALLY RELEVANT EDUCATION

For the last 14 years, USAID has worked successfully with the SAG's Department of Education and other partners to develop new school curricula and training methods, boost students' abilities in math and science and train teachers at over 102 disadvantaged high schools in these crucial disciplines. The education program, which has narrowed in focus, is currently addressing workforce development by working with South Africa's Further Education and Training (FET) institutions, the entities that produce urgently needed skilled workers, to ensure industry-relevant career paths for students. The program will also increase the interactions and linkages between FET graduates and the private sector firms that employ them. This three-year \$6 million program begins in FY2009.



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## **COUNTRY PROFILE CONTINUED**

### **PROMOTING SOUND DEMOCRACY AND GOVERNANCE**

USAID is winding down its community court program, which has resulted in improved management efficiencies and a significant decrease in case backlogs. The final activity in this area is support for the formulation of a policy document and subsequent legislation that will promote the efficient governance of community courts. USAID is also supporting South Africa's government and nongovernmental organizations to assist victims of violence, especially rape, under the \$13 million four-year Women's Justice and Empowerment Initiative (WJEI). The project has so far completed a country-wide analysis of gender-based violence, which has identified high-incidence areas and looked at the quality of services provided to victims in order to establish basic standards. In FY 2008, WJEI refurbished 4 "Thuthuzela" care centers to ensure that victims receive comprehensive assistance including medical examination, counseling, and statement-taking in a secure environment. In FY 2009, 7 new centers will be established in targeted areas.

### **INCREASING ACCESS TO MUNICIPAL SERVICES**

Despite massive service delivery programs, almost 10 million historically disadvantaged South Africans still live in urban slums that lack basic services. USAID programs increase access to safe, decent housing and municipal services, and support policies that lead to improved urban management and sustainable human development. Over the last six years, the program has reached 3.4 million poor households with improved or first-time housing, water, sanitation, and electricity. Funding for this program has ended; however, USAID is implementing the final phase of the program with a massive effort that will help the government to meet its pledge of eliminating the bucket sanitation system in formal settlements. We are also working with key municipalities to increase their capacity to effectively manage the delivery of services, including clean water, to underserved areas.

#### **CONTACT INFORMATION**

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